

Roll No.....

Time allowed : 3 hours

Maximum marks : 100

Total number of questions : 8

Total number of printed pages : 4

PART — A

*(Answer Question No.1 which is compulsory
and any three of the rest from this part.)*

1. (a) State, with reasons in brief, whether the following statements are true or false :
- (i) Nifty index futures contracts are not cash settled.
 - (ii) Margin trading will also act as a curb on short selling and short buying.
 - (iii) Fund of funds is a type of equity fund.
 - (iv) Grading of an IPO is not mandatory and it does not help in relative assessment of fundamentals of the issue.
 - (v) Dated securities are characterised generally with fixed maturity and coupon and are identified with date of maturity.
- (2 marks each)*
- (b) Re-write the following sentences after filling-in the blank spaces with appropriate word(s)/figure(s) :
- (i) Pursuant to clause 47 of the listing agreement, Company Secretary is appointed as the _____ of the company.
 - (ii) Margin trading was introduced by the Securities and Exchange Board of India to curb _____ dealings in shares.
 - (iii) An investor can subscribe to new fund offers of mutual fund schemes through Applications Supported by _____ facility.
 - (iv) Capital market is regulated by _____.
 - (v) Commercial paper is a _____ market instrument.

(1 mark each)

2. (a) Write short notes on the following. Attempt *any three* :

- (i) Growth-oriented schemes
- (ii) Portfolio manager
- (iii) Capital indexed bonds
- (iv) Futures contracts
- (v) Market capitalisation.

(3 marks each)

(b) Explain briefly the following terms associated with stock market. Attempt *any three* :

- (i) Credit watch
- (ii) Bearish trend
- (iii) Rolling settlement
- (iv) Securities pay-out.

(2 marks each)

3. (a) Expand the following abbreviations with reference to securities laws :

- (i) SEFT
- (ii) CARE
- (iii) NEAT.

(1 mark each)

(b) Distinguish between the following. Attempt *any three* :

- (i) 'Depository' and 'custodian'.
- (ii) 'Domestic hedge fund' and 'offshore hedge fund'.
- (iii) 'Internal audit' and 'concurrent audit'.
- (iv) 'Primary market' and 'secondary market'.

(4 marks each)

4. (a) Evaluate the role of SEBI in regulating the financial markets in India.
(5 marks)
- (b) What do you understand by self regulatory organisations (SRO) ?
(5 marks)
- (c) "Straight through processing (STP) is understood to be a mechanism that automates the end-to-end processing of transactions of financial instruments." Comment.
(5 marks)
5. (a) What do you understand by 'venture capital' ? Enumerate the main contents of placement memorandum for a venture capital fund.
(5 marks)
- (b) What are the penalties prescribed for a person involved in insider trading under the Securities and Exchange Board of India Act, 1992 ?
(5 marks)
- (c) "Buy-back of shares is a corporate financial strategy." Comment.
(5 marks)

PART — B

(Answer ANY TWO questions from this part.)

6. Explain the following statements. Attempt *any five* :
- (i) Minimum subscription is mandatory in any issue.
 - (ii) Basis of allotment is finalised by the lead manager to the issue and stock exchange.
 - (iii) Appointment of compliance officer is compulsory for a listed company.
 - (iv) Board of directors has to make full disclosure of ESOP schemes in the Directors' Report.
 - (v) A company may delist its equity shares from all or from the only recognised stock exchange where they are listed.
 - (vi) Ombudsman is a saviour of investors in capital market.
- (4 marks each)

7. (a) Define and distinguish between 'letter of offer' and 'red-herring prospectus'.
(5 marks)
- (b) What are the regulations governing external commercial borrowings (ECBs) under automatic route ?
(5 marks)
- (c) Discuss the advantages of issuing bonus shares by a company.
(5 marks)
- (d) Discuss the role of Company Secretary under the listing agreement for debt securities.
(5 marks)
8. Write short notes on the following. Attempt *any five* :
- (i) Domestic custodian bank
 - (ii) Indian depository receipts
 - (iii) Fixed income products
 - (iv) Anchor investors
 - (v) Green shoe option
 - (vi) Promoters' contribution in public issue.

(4 marks each)